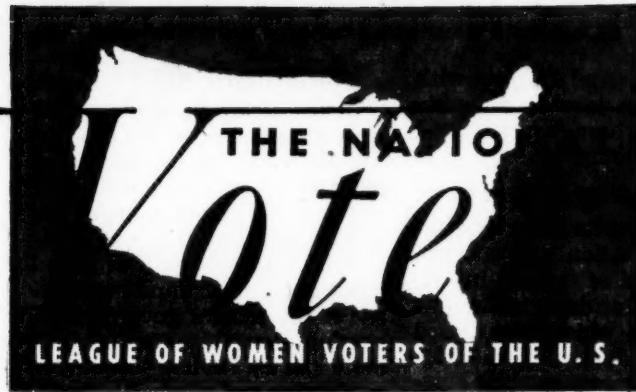


December, 1957



1026 17th STREET, N.W., WASHINGTON 6, D.C.

## FROM THE PRESIDENT'S DESK

**A**RE YOU "complacent"? Are you filled with "irrational fears"? Do you need to be "soothed" or "aroused"? These words and others like them are being used constantly these days in reference to Americans. Why? Obviously because the Sputniks have startled us all and demonstrate a scientific and technological achievement which challenges our superiority. We are deeply disturbed because this in turn indicates a possible change in the world's balance of power and may indicate a decline in American and allied power and influence. Some of us believe the significance of this combination of events—Soviet scientific advances and a decline in Western strength—is that it could spell the loss to us of all those things we value more than life itself.

To my mind, it is unthinkable that Americans under these circumstances can be complacent, undecided or disunited. It is equally unthinkable that members of the League of Women Voters at this moment in history will be found sitting on the sidelines. I am reminded again of Oliver Wendell Holmes: "Life is action and passion. I think it is required of a man that he should share the action and passion of his times on the peril of being judged as not to have lived."

**W**HAT IS required of members of the League? It seems to me now if ever is the time for each member to shoulder in her own personal way the responsibility of carrying out the purpose of the

League. We must share our experience and knowledge and opinions more fully, speak more loudly, not as an organization but as individuals; not as Leaguers but as Americans. As a matter of fact the entire history of the League provides us with an understanding of many of the essential ingredients required now in the design of public policy. We need, I think, an over-all national policy in which foreign and domestic affairs are viewed as indivisible. Our public officials need clearly defined responsibilities and the opportunity to carry them out. We need more evidence of unity and coordination in the making and implementation of our national policies. We need to remove some of the barriers which prevent a reasonable exchange of information both at home and abroad. We need to produce a climate which will be conducive to the recruitment in government of men and women of outstanding talent. We need to give priority to matters of vital importance to the national welfare. We need a fully informed, comprehending public.

**Y**OU WILL not find these things written down in any League handbook, which is to our credit, but you may find as I do that some of these attitudes have emerged from your League experience.

Likewise from our League experience I believe we are able to see the basic ingredients required in an over-all national policy which must be designed as a whole. To my mind they are these: U.S.

participation and support of the United Nations with less regard for propaganda values than for the principles enunciated in the Charter; U.S. action to strengthen the regional defense systems of which we are a part; vigorous pursuit by the United States of international economic development and full participation in methods to expand world trade, without which economic development serves little purpose; a nation-wide effort to educate ourselves, to acquire and utilize knowledge, to develop attitudes which honor and respect intellectual attainment.

**I**F YOU think any of these things are important, what can you do? Well, it seems to me each one of us should speak out about them. Our League experience should provide us with the incentive which drives us as individuals beyond the confines of the organization itself. "Informed and active participation of citizens in government," the League's stated purpose, does not mean in my judgment that our obligations stop within the League. On the contrary, it means to me that the League's value is determined by the ability of its members to develop and register individual initiative. As I think about the present circumstances I am convinced the considered opinions of Americans must be heard in greater volume than is usual. This you can do.

*Lucy Marvin Lee*

# WHICH WAY THE ECONOMIC WINDS?

If you're given to reading both the long- and short-range economic analysts, you're probably alternately bewitched, bothered, and bewildered. The long-range expectations are generally high: "maximum use of economic potential," "full production and full employment," "expanding consumption and living standards," "reduced production costs through technological advances." The current short-range view is inclined variously to such terms as: "profitless prosperity," "selective inflation," "interim period," "downward drift," "economic influenza," "breathers in adjustment."

What are the mixed economic signs which give rise to the short-range vocabulary?

**Gloom on the Boom:** business investment leveling off, moderate decline expected next year; inventory buying greatly reduced; export trade, running high, may fall because of the "dollar gap"; freight car loadings 13.8 percent below a year ago, reflecting drop in such industries as coal, steel, housing; scrap iron prices falling, steel mills operating at 80 percent of capacity; unstable stock market; corporate profits narrowing; bank loans to business sharply lower than last year.

**Bloom on the Boom:** continued rise at about nine percent a year in state and local government expenditures; expected rise in federal spending in light of lift in \$38 billion ceiling on defense spending, and prediction that the 1959 federal budget will match or exceed this year's \$72 billion budget; consumer spending continuing at record-high rate, mostly for non-durable goods.

## WHAT KIND OF 'FLATION?

Is the current "interim period" just what the economy needs to take the excess wind out of it? Or is this letdown going to lead into a recession? If so, is deflation now a greater danger than inflation?

Reading the economic indicators isn't like reading tea leaves. On the other hand, economic forecasting doesn't work with the preci-

sion of science. And so, even with indicators, there is wide disagreement as to where we are and where we are going.

## WHO WANTS EITHER?

Assuming that no one really favors either inflation or deflation, during a period of "mixed indicators" the point of departure seems to be based on which is regarded as the greater danger. This difference usually turns upon which long-range goals are to be given first priority—full employment, high consumption and maximum production, or price stability. Following is a case in point:

The Administration, the Federal Reserve Board, many economists, and segments of the business community have considered inflation to be the greater threat during the past two years, and therefore have held out until recently in favor of credit-curbing through high interest rates. During this same period other economists, labor leaders and "soft spot" industries were more worried about deflationary trends. The latter group claimed that the Federal Reserve Board's high interest rates were not curbing inflation and were working hardships on small business and such borrowers as the housing industry and state and local governments.

## EMPLOYMENT ACT OF 1946

In testimony before the Senate Finance Committee in August, the Chairman of the Federal Reserve Board suggested adding price stability to the other goals stated in the Employment Act of 1946.

This Act declares that it is the "continuing policy and responsibility of the federal government" to use "all practicable means" to promote "maximum employment, production and purchasing power." The Act also provided for an annual Economic Report from the President and a three-man Council of Economic Advisers.

## OPINIONS DIFFER

Chairman Martin stated that the goal of price stability, "now implicit in the Employment Act, can be made explicit by a straightforward declaration and directive to all agencies of the government that anti-inflationary actions are to be taken promptly whenever the cost of living begins to rise."

A contrasting attitude has maintained that the "government continues to fight the wrong economic enemies at the wrong time with the wrong weapons" and that the government "tilts at windmills of inflation" since this is "a selective inflation and a selective deflation."

This view is expressed in various pamphlets of the Conference on Economic Progress of which Leon Keyserling, once Chairman of President Truman's Council of Economic Advisers, is a member.

This Conference says: "Those administering the Employment Act should be required to comply with its requirement that needed levels of employment, production and purchasing power be set forth in concrete terms." Meanwhile, "government had better turn toward the central problem—to help lift the consumer income and services which are essential to full prosperity for all."

## CRAZY, MIXED-UP ECONOMY?

It has been claimed that the greatest economic problem is the average citizen's economic illiteracy. In a complex system such as ours, it is not surprising that most of us are grossly ignorant of what causes our economy to be-

### Elizabeth Eastman

Miss Eastman, one of the three incorporators of the national League of Women Voters in 1923, died September 21 at the age of 77 in Washington, D. C. She was chairman of the League's national Committee on Immigration in the 1920s and president of the D. C. League in 1922 and 1923. Active in the Women's Joint Congressional Committee and in many other groups and organizations for public betterment, she will be particularly remembered for two: On the YWCA national Board 1924-45, she was especially interested in legislation in behalf of working women; on the national Board of the Common Council for American Unity from 1928 until her death, she worked unceasingly to further a humanitarian and nondiscriminatory immigration policy.

have as it does.

Some of the unsettled questions which will continue to be discussed and debated in the months ahead are:

What is the proper relationship between wages, prices, and profits?

What are the factors which have caused the rise in prices?

Are wage rates rising faster than productivity increasing?

Can we have full employment

PENNY

without inflation?

Is creeping inflation an inevitable by-product of a booming economy?

How can inflation be restrained without interrupting the long-run economic growth of the country?

Is the recent inflation the country has been undergoing different from inflations in the past?

If so, how effective are credit restraints in counteracting this

kind of inflation?

"A healthy skepticism" regarding projections of prosperity and creeping inflation was recently advocated by the past president of the Canadian Political Science Association. After posing a few questions of his own, he offered this sage advice: "There are no sure answers to these questions, but they are the questions we should not cease to ask."

By Harry Haenigsen



## ASIA and the UNITED STATES

By Mrs. Waldo E. Stephens\*

What can the American citizen do to promote greater cooperation between Asia and the West? How can understanding be developed and misunderstandings erased? These were the problems to which 1500 individuals (including representatives from the League of Women Voters) from 40 states, and many observers from foreign countries, directed their attention as they met in San Francisco, November 6-9. The occasion was the Sixth National Conference convened by the U. S. Commission for the United Nations Educational, Scientific and Cultural Organization as part of its effort in support of one of the major projects of the world-wide program of UNESCO.

The Conference gave sustained attention to many aspects of Asian life: to its philosophies, religions and creative arts; to science and

technology and their social impact; to educational problems and Asian aspirations for economic development; to the place and treatment of Asia in American education as well as to the treatment of the West in Asian schools, and to the inadequate and distorted communication between Asians and Americans.

The studies revealed that a "curtain of ignorance" separates Asia and the West and is the basic reason for lack of understanding. Education may hold the tools which can break down the barriers of ignorance, misunderstanding and prejudice which make cooperation difficult and often impossible. But it must be a broad interpretation of education, directed to students in the classroom, scientists in the laboratories, and to all adult citizens who must face the grave circumstances of our times and give—or withhold—support to government policies.

The League of Women Voters is especially equipped to share in this task of overcoming the appalling ignorance regarding Asia by increasing public awareness of facts,

and helping to cultivate attitudes that lead to understanding and co-operation. League action may take different forms, such as increasing our understanding of the United Nations, working for legislation to stimulate world trade and for expanding technical assistance in Asia through larger appropriations. It is important to understand the close relationship between our international Continuing Responsibilities and this major project of UNESCO. We may approach the problem of international cooperation from different points of attack but the gravity of the situation in Asia makes it imperative that our efforts be directed toward the complex goal of understanding and working with other people.

### HAVE YOU SEEN . . .

... the Minnesota League's "Information for Local League Bulletin Editors"? Whoever wrote it seems to have thought of *everything* a bulletin editor needs to know, even how to "justify" and make a mimeographed sheet look more like a printed one. If you want a copy, send 15 cents to the League of Women Voters of Minnesota, 15th and Washington, S.E., Minneapolis 14.

\* Mrs. Stephens, former member of the League's national Board, is a Member of the U. S. Commission for UNESCO, appointed by the Secretary of State on the nomination of the League of Women Voters of the United States. In her capacity as Member, she acts as an individual, not in the name of the League.

# LEAGUE HOLDS REGIONAL CONFERENCES

The five recently concluded regional conferences brought together—for the first time in the League's history of such conferences, it is believed—representatives from all 48 states. The only regret was that Alaska and Hawaii were not represented, especially since there was some discussion of the interesting features of the Alaskan constitution and the metropolitan developments in Honolulu.

As usual, the conferences (two in Washington and one each in Minneapolis, Salt Lake City and Dallas) were very different although the purpose was the same. The plan called for mixing up the states as much as the budget would allow, bringing state leadership together to examine what was happening in local government and exploring what effect the developing trends might have upon League organization, methods and services.

What came out of this? Undoubtedly the most valuable part of it all was that representatives participating learned to know and understand each other and the problems of their different states, and they exchanged ideas and experiences in a more or less leisurely fashion without the usual sense of pressure.

## CHANGES INDICATED

Perhaps the final conference in Washington reflected the most significant points which were generally shared. It was agreed that local government is in for some drastic alterations due in the main to a growing and shifting population.

John Bebout, on leave from the staff of the National Municipal League to serve as associate director, Temporary State Commission on the Constitutional Convention, State of New York, stated:

"The United States is an urban nation; government because of technological developments has become an increasingly complicated, large, expensive and therefore increasingly professionalized business; as a result the old political party system is not playing the large role it used to play in local govern-

ment; virtually all major functions of government are shared by two or more levels of government."

Dr. Cassella of the National Municipal League had this to say in his conclusion:

"I think the one important lesson we all are learning is that before we even begin to develop really productive approaches (to the present problems of government) we have to produce metropolitan consciousness. We have to produce this on all fronts; not just the official municipal front, but every organization in the community must somehow or other look beyond the boundaries of its immediate local, municipal jurisdiction.

"We have to think of ourselves as citizens of greater New York or Atlanta or Philadelphia and utilize in a variety of ways a variety of instrumentalities of government which will probably in no two places be alike; but in all places, hopefully, will be in step with this dynamic, explosive urban situation in which we live."

## NEEDS EXPRESSED

In the area of the League itself several interesting points emerged.

There was favorable response to

### An Important Personal Decision

that can affect civic progress for years to come:

I hereby give and bequeath the sum of ..... dollars to the League of Women Voters of the United States, a corporation organized September 15, 1923, under the laws of the District of Columbia.

the national Board's proposal that future League organization be based on the purpose of the League instead of on the frequently outmoded structure of local government.

Requests for more information as to how Leagues are doing their various jobs, the need for an exchange of ideas in regard to techniques of all kinds, were repeated again and again.

There was agreement that ways must be found to facilitate the cooperation of neighboring local Leagues on common problems, even

over state lines.

Concern was expressed that members need a better grasp (both intellectually and actually) of the representative system within the League.

Great interest was shown in the shared field service plan which permits a state League to employ an experienced national staff member for short periods of concentrated time.

Again it was reiterated, as has happened so frequently, that the League's finance system, especially in regard to finance drives, is sound and allows for development and expansion in proportion to the number of members who actively participate as solicitors.

These five conferences made members of the national Board increasingly aware of the startling growth in competency and capacity which has occurred in state Boards. As one national officer put it: "I wonder if members appreciate the extent of the energy and time and dedication state Boards are putting into their jobs. I wonder if members understand the impact this service is having upon local League effectiveness. I dare-say many members have no occasion to observe this and therefore I think we should emphasize it."

These conferences were a testimonial to the increasing stature of state Boards, to the essential character of their work, and to the quite extraordinary service which the League of Women Voters as a whole performs for the citizens of this country. Furthermore, they revealed that the League, both internally and externally, has the vitality to meet evolving needs.

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